Forest Lake Cable Commission - Internal Control Documentation

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Budget Process

- Over the summer the Access Coordinator works on the FLCC budget for the next year. The Bookkeeper can assist with compensation rate information. This compensation budget includes such items as federal and state deductions, social security and well as PERA. The budget submitted to the FLCC for approval usually in August for the next calendar year. The budget is then sent to each of the two Joint Power Cities for approval.

Expenditures/Disbursements

- The Access Coordinator can spend up to $750 without prior board approval. This was passed unanimously at the Jan 2012 FLCC board meeting.

- The City Administrator, Deputy Clerk of Scandia, and the FLCC Access Coordinator~~,~~ are designated signors on all FLCC disbursement checks. The FLCC board chair~~,~~ Dianne Halfen~~,~~ was approved as an alternative signor in 2015.

- At the May 2014 FLCC board meeting, the board unanimously approved that "if a quorum cannot be obtained or established, that all bills can still be paid with the Access Coordinator's approval. The final approval for these bills is to be obtained at the next FLCC meeting.

- Bills are picked up by the Access Coordinator or Administrative Assistant, and all invoices generally gathered by the Administrative Assistant. The Access Coordinator reviews all invoices. The Access Coordinator or Administrative Assistant writes the expense object code on all invoices.

- The Access Coordinator or Administrative Assistant also gather any reimbursement requests from staff, and these are submitted to the Bookkeeper with the other bills/invoices for processing. Staff members fill out a reimbursement form ~~and~~ to attach original receipts which is reviewed by Access Coordinator. Mileage also is reimbursed at more than ten miles driven as per the FLCC Personnel Policy.

- The Monday before the quarterly FLCC meeting, the coded bills are submitted to the Bookkeeper. Check payroll/payments are currently printed at the City of Scandia by the Bookkeeper.

- All checks require two signatures.

- The FLCC board at the bi-monthly board meeting reviews the disbursements and monthly financial reporting for the prior months. If the disbursements are approved every board member present must sign the claims list. The Administrative Assistant prepares and mails the bills and returns the signed claims list.

Cash Receipts

- Franchise fees: Franchise fees (5% of gross cable TV revenues as per the cable franchise agreement) are sent from the cable operator MIDCO by check to each City for use of the right-of–way. As per the Joint Powers agreement, the FLCC is to receive a minimum of 88% of these franchise fees. Each City in the Joint Powers then sends this portion of the fees (Columbus, and Forest Lake send 88% of their fees) payable to FLCC directly to the City of Scandia who currently is the contracted bookkeeper for the FLCC. MIDCO sends a statement to the City of Scandia with the amounts of the two franchise checks that were sent directly from MIDCO to each City for payment of Franchise fees. The Administrative Assistant checks these amounts and compares with the amounts deposited to the bank by the Bookkeeper.

- PEG Fee: The cable operator (MIDCO) sends PEG (Public Educational Government) fees that have been negotiated as part of the Franchise agreement monthly to the City of Columbus and the City of Forest Lakes in an electronic deposit. These cities then issue a check to FLCC for those fees. The Bookkeeper deposits the PEG fee checks on behalf of the FLCC monthly along with other revenue.

- Sponsorship Revenue: The FLCC has approved Sponsorship Guidelines. This includes the definition of sponsorship and approved fees for a business/ organization to sponsor. The Access Coordinator can solicit sponsorship, and businesses can request to sponsor. The Access coordinator communicates with the business and organization. Sponsorship is confirmed via email and the business confirms that information on the visual slide is correct and that the voice-over about the business is approved also. Once the sponsorship on the program is completed, the Access Coordinator/ Administrative Assistant emails, mails, or drops off the Sponsorship invoice. A complimentary copy of the program sponsored is also included with sponsorship so the business has a copy of the program and its sponsorship on DVD. Businesses usually mail checks to the station for sponsorship payment. These checks are given to the Bookkeeper, along with other FLCC revenue received at the station, at the end of every month. The Bookkeeper deposits the sponsorship revenue along with other revenue at the FLCC's bank at the end of every month. This revenue is noted, along with all other revenue, in the FLCC's monthly financial reporting.

- DVD Sales: This is usually done for any music concerts or plays that the FLCC films for educational content on LATV 10. This is an opportunity for families/friends to purchase a DVD of the event. DVDs currently cost $17per DVD (includes sales tax and $3 for shipping and handling.) These prices have been approved by the FLCC. Event organizers have given the station permission to film their event. Organizers are contacted in advance. DVD's and direct downloads are ordered through a weebly shopping cart on the LATV website. Payment is directly deposited in the FLCC Security State Bank account. If DVD's are purchased in person at LATV the payment along with a copy of the invoice/order form are sent to the Bookkeeper at the end of every month for deposit.

- City Meetings: Currently LATV on behalf of the FLCC records City of Forest Lake meetings each month at no charge, Monthly meetings can include but are not limited to: Airport, Planning Commission, Parks, Trails and Lakes, City Council Regular Meetings, City Council Workshops and Economic Authority Development. If a meeting is cancelled or added to the calendar, we do not charge extra to film it or if it is cancelled.

  For the City of Columbus LATV on behalf of the FLCC records City Council and Planning Commission regular meetings.

- Contractual Production Services: (Attached to Access Rules and Scheduling Guidelines & approved by FLCC Feb. 20th, 2013) This is allowed if the Access Coordinator and station staff follow the Guidelines that were FLCC approved. Government, community, educational events and functions will always take priority over Contractual Production Services. Any revenue generated by this is given to the Access Coordinator and given to the Contracted Bookkeeper to be documented and deposited in the bank.

Payroll

- The Administrative Assistant sends out a Timesheet to all station staff electronically, approximately one week prior to when timesheets are due to be turned in. On the said timesheet is listed the pay period, the deadline for turning in the timesheet – always the Monday by noon, prior to that Thursday pay day. Also, the pay date is listed on the timesheet so staff is aware of the date that they will be paid. Timesheets can be, dropped off at the station or sent electronically to the Administrative Assistant. The timesheet must be filled out with worked hours and SIGNED by all staff members. The Administrative Assistant gathers the timesheets for that pay period, gives them to the Access Coordinator to review and sign. The Administrative assistant then emails them to the Bookkeeper.
- The Scandia City Administrator reviews the payroll and signs the checks. The Administrative Assistant picks up the checks and delivers them to the Access Coordinator for his signature. In the event the Access Coordinator is unavailable, the alternate signor signs the payroll checks. Staff either picks up their checks, or the Administrative Assistant mails the checks.

General

- All pickups from and deliveries to the Bookkeeper are hand delivered by the Access Coordinator or the Administrative Assistant in folders so that the information can be easily identified and contained. (timesheets, deposits, invoices, bank statements, etc.)

- The Bookkeeper tracks uncashed checks and requests assistance as needed from the Administrative Assistant to locate staff members or organizations to address reissue protocols.

- <u>Bank Statement</u>: Bank statements are available on the bank website and accessed by the Bookkeeper and Administrative Assistant. The Access Coordinator and Administrative Assistant review this statement. A printed copy is kept with other FLCC financial records and filed with the monthly books held at the station. The Bookkeeper reconciles the bank accounts monthly with the CTAS program and provides a monthly Cash Report, Budget to Actual Report and supporting CTAS reports to the Commission. The bank reconciliation is reviewed by the Access Coordinator and the Commission Chair. The Office Assistant includes the monthly reports in the Commission Agenda packets for review.

- Prior year financial records are stored on site at the current station location.

- Any revenue that the station holds (cash, checks) is kept in a lockbox at the station.

- <u>Documents</u>: FLCC documents that contain financial rules and guidelines for the Cities, FLCC, and Lakes Area Community Television to follow include: the FLCC Joint and Cooperative Agreement, FLCC By-Laws, FLCC Access Rules and Scheduling Guidelines (DVD Prices), FLCC Sponsorship Guidelines, FLCC Guidelines for Contractual Production Services, FLCC Personnel Policy, and FLCC approved minutes.